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Green Finance of Banks: Concepts & Practice

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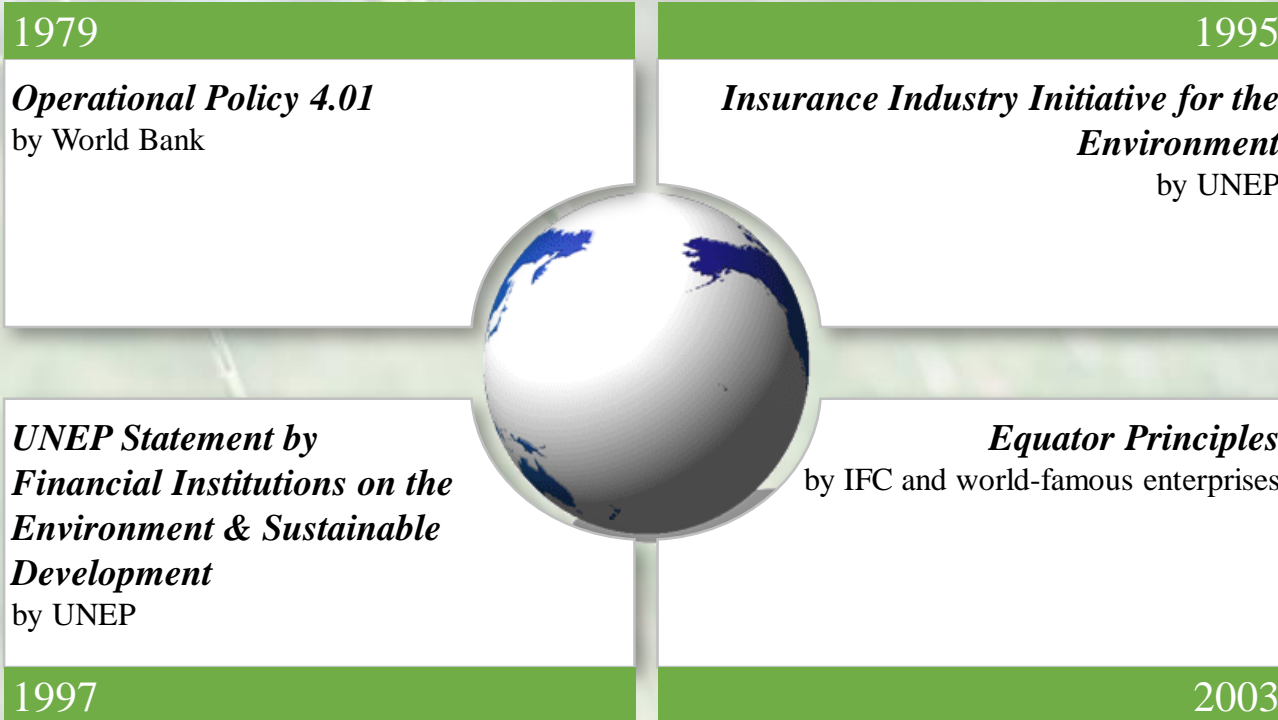
2 Some Personal Suggestions



The wind power project supported by Dalian Branch of ICBC

1 Development of Green Finance Concept: Concept Development in the World

Green and Sustainable Development Has Become the Common Choice of Our Human Society



Lucid Waters and Lush Mountains Are Invaluable Assets



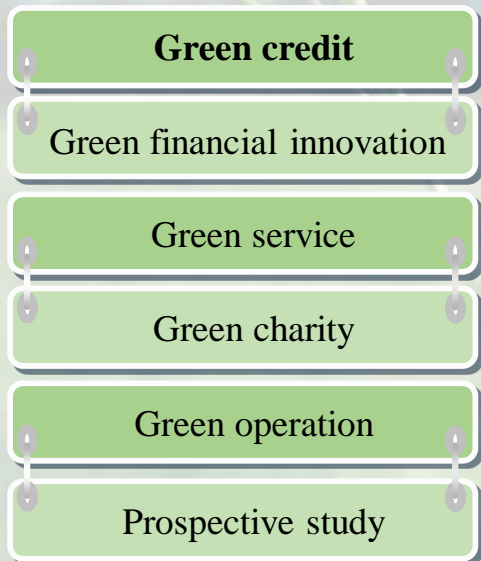
- *Decisions Regarding Enhancement of the Environmental Protection during the Period of National Economic Adjustment*
- *Guide for Green Credit, Statistical System for Green Credit, Key Evaluation Indicators on the Implementation of Green Credit and Guide for Green Bond Issuance*
- *Joint Commitment to Green Credit*
- Green Finance included into the G20 Key Agenda for the first time
- *Guiding Opinions on the Construction of the Green Finance System*
- Green Finance re-stressed at the National Financial Work Conference

**Excellence for You –
Excellent services to clients, Maximum returns to shareholders,
Real success for our people, Great contribution to society**

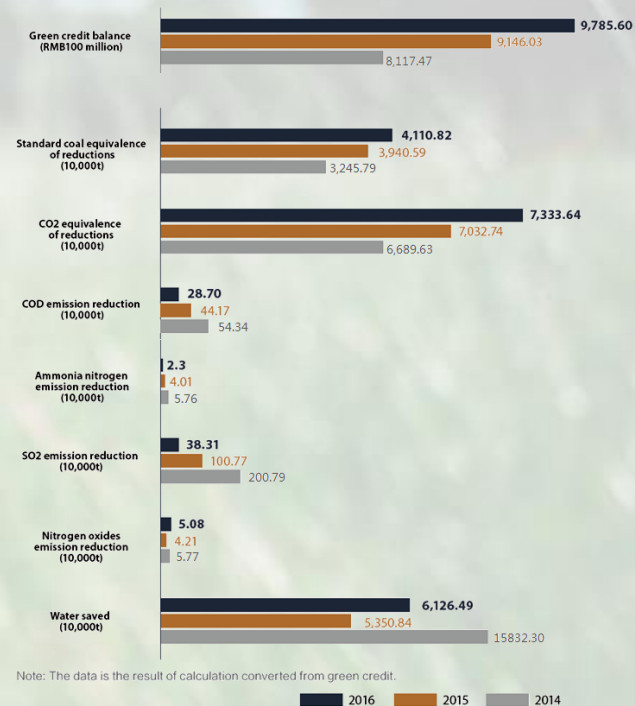


2 Green Finance and Sustainability of ICBC: Strategy and Practice on Green Finance

A Domestically Leading and World-class Green Financial Institution



Data on Reduction of Greenhouse Gas Emissions



2 Green Finance and Sustainability of ICBC: Strategy and Practice on Green Finance

Green credit

Green financial innovation

Green service

Green charity

Green operation

Prospective study



8

green bonds of
various types

883

(RMB 100 million)
funds raised

1

ranking first among
Chinese banking institutions



300 (RMB 100 million)

one commercial bank
green finance bond



30 (RMB 100 million)

New Development Bank
green finance bond



25 (RMB 100 million)

one motor company
green corporate bond



28 (RMB 100 million)

one investment
company
green non-financial
corporate bond

2 Green Finance and Sustainability of ICBC: Strategy and Practice on Green Finance

Green credit

Green financial innovation

Green service

Green charity

Green operation

Prospective study



432%
smart service
went up



105%
businesses via SMS, WeChat
messages and ICBC Link
went up



92%
identification rate of smart
services



90%
manual phone calls
receiving rate



ICBC Mall

20 million
new B2C customers

17 thousand
merchants signed



ICBC Mobile

80 million
active customers

64.2%
the number of customers at
mobile terminals rose by



ICBC Link

60 million
the number of customers

10 times
rose by



Internet Financing
Center

620 RMB billion
balance of internet
financing business

20.19%
went up

2 Green Finance and Sustainability of ICBC: Strategy and Practice on Green Finance

Green credit

Green financial innovation

Green service

Green charity

Green operation

Prospective study



- 1.The Software Development Center organized the staff to carry out waste recycling activities
- 2.Fujian Branch organized the staff to carry out urban cleaning activities
- 3.Tibet Branch organized the staff to clean river banks
- 4.The Data Center (Beijing) organized the tree planting activity

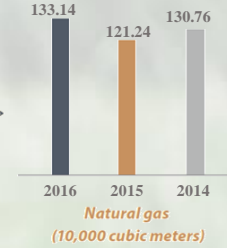
2 Green Finance and Sustainability of ICBC: Strategy and Practice on Green Finance

- Green credit
- Green financial innovation
- Green service
- Green charity
- Green operation
- Prospective study

Greenhouse Gas Emissions of the Head Office Institutions in Beijing

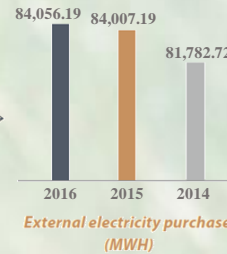
Direct Greenhouse Gas Emission

Total emissions (tons of CO₂) 2,878.66 Main source



Indirect Greenhouse Gas Emission

Total emissions (tons of CO₂) 50,769.94 Main source



7712.6 thousand sheets of paper

729.3 thousand saved

8.64% saved

86.53 thousand liters annual oil consumption of the vehicles

7.7 thousand saved

8.13% saved

2 Green Finance and Sustainability of ICBC: Strategy and Practice on Green Finance

Green credit

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ESG Green Rating
and
Green Index Study

Inclusion of
Green Finance
into G20 Agenda

Stress Test

International
and Domestic
Case Study

3 Future Development of Green Finance: Outlook on Green Finance of Banks

A Lot to Accomplish

- To tap into their outlet and information advantage to provide all-round domestic and overseas financial services
- To bring into play advantages in products, standards and risk management to effectively prevent and manage environmental risk while providing investment and financing services
- To better promote international cooperation on green finance



Certain Challenges

- Insufficient policy incentives for developing green finance
- Not enough disclosure of environmental information needed by green financial business
- Commercial banks' ability in identifying environmental and social risk remaining to improve

3 Future Development of Green Finance: Some Personal Suggestions

I believe that financial institutions can be further promoted to practice green development from the perspectives of government support, supervision and publicity.

1

To increase financial discount and support green loans

2

To refine corporate mechanism on environmental information disclosure

3

To promote the use of stress test tools by the banking industry to quantify environmental risk

4

To step up promotion and publicity to enhance awareness of financial institutions on green finance



Thank you!

For more details of ICBC social responsibilities, please refer to the Bank's CSR reports published on its official website.